F.Y.I.

FOR YOUR INFORMATION

INTRODUCTION TO LED
LOCAL EMPLOYMENT DYNAMICS

Local decision makers—employers, workers, transportation agencies, education and training institutions, and economic development agencies—increasingly need detailed local information about their economies to make informed decisions, but are frustrated by the lack of timely local data. To fill critical data gaps and provide the type of workplace indicators needed by state and local authorities, the U.S. Census Bureau established the Local Employment Dynamics (LED) program in 2002.

The LED program is an innovative collaboration that started among 20 state partners (including Idaho) and the U.S. Census Bureau that is designed to provide new demographic employment information. Each state provides administrative records—in Idaho, Commerce & Labor provides Unemployment Insurance wage files and Quarterly Reports of Covered Employment & Wages (QCES)—to the U.S. Census Bureau. A team there matches and combines the files, resulting in Quarterly Workforce Indicators (QWI), which are returned to each participating state. (*Note: records are carefully screened to prevent disclosure of any establishment.)*

The State of Idaho received its first round of historically weighted QWI data in June 2003. The QWI measures the performance of the local economy, addressing issues such as where jobs are, for what kind of workers, and how much workers can expect to make in any given area within the state. The new indicators will show economic trends by worker age, gender, and industry. When the data is combined with local expertise and information, LED data will provide an important tool and valuable resource for decision making for planning, management, performance accountability, and economic development. The QWI measures for Idaho are provided at a detailed industry level statewide, countywide, and for the six geographic regions (see FYI Figure 1).

More LED state partners continue to join the partnership. As of late September, member states include: Arkansas, California, Colorado, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, Minnesota, Missouri, Montana, Nevada, New Jersey, New Mexico, North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Texas, Vermont, Virginia, West Virginia, Washington, Wisconsin. Some questions that the data will answer include:

- What are the characteristics of the local labor force?
- How high is worker turnover?
- What are workers (and new hires) being paid in a particular region and industry?

ACCESSING INFORMATION

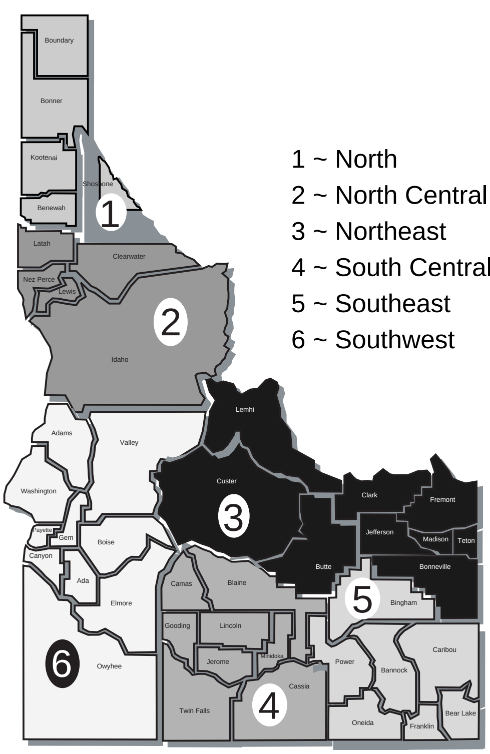
Customers will be able to create their own reports using LED on the Internet. From Idaho's Labor Market Information website (**www.jobservice.ws**), select "Local Employment Dynamics" from the blue menu bar on the left. From the drop down menu, choose "LED Program" to access the LED web page. Click on "Local Idaho Area Dynamics" from the toolbox on the right, which links to the database page (see FYI Figure 2). At this point the customer can select the variables that are of interest and by state, county, or region.

On this interactive web page, click on any ICON under QWI Quick Fact for a definition (i.e., Net Job Flows).

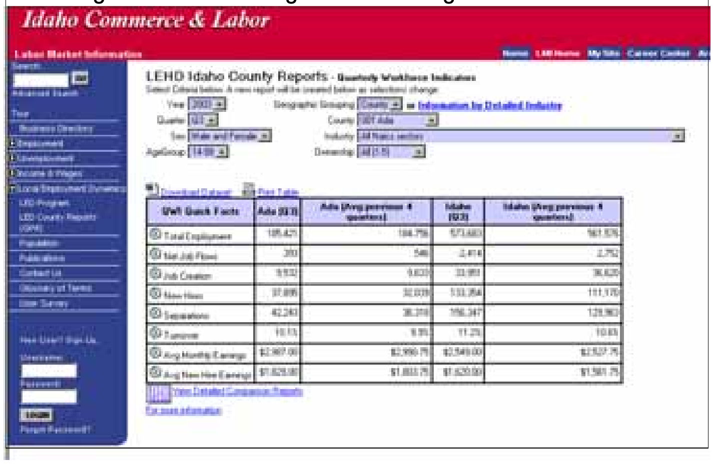
Who Can Benefit From QWI ?

- Decision Makers—for strategic planning purposes
- Employers—for questions regarding workers and wages
- Workers—for questions regarding jobs and pay

FYI Figure 1: Idaho Regions



FYI Figure 2: LED Program Web Page



- Economic Development Organizations—information for prospective or expanding businesses
- Educational and Training Organizations—information regarding potential students and future curriculum opportunities
- Transportation Organizations—information on where people live and work

The Eight QWIs

- **Total Employment**: Beginning of Quarter Employment is the total number of workers who were employed by the same employer in both the current and previous quarter.
- **Net Job Flow** (Job Change): The difference between current and previous employment at each business.
- **Job Creation** (Job Gains): The number of new jobs that are created by either new area businesses or the expansion of employment by existing firms.
- **New Hires**: Total number of workers (accessions) that were also not employed by that employer during the previous four quarters.
- **Separations**: Total number of workers who were employed by a business in the current quarter, but not in the subsequent quarter.
- **Turnover Rate:** Turnover Rate = (1/2) multiplied by (accessions X separations), divided by average employment
- **Average Monthly Earnings for Full-Quarter Employees** (those employees that worked every month during a quarter): Total quarterly earnings of all full-quarter employees divided by the number of full-quarter employees, divided by 3.
- **Average Monthly Earnings for Full-Quarter New Hires** (workers that worked every month during the quarter but did not work in the prior quarter): Total quarterly earnings of all full-quarter new hires divided by the number of full-quarter new hires, divided by 3.

An example of LED data providing additional information on the creation of jobs is given in the article *Trends in Job Creation 2001—2002* (below).

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MORE F.Y.I.

FOR YOUR INFORMATION

TRENDS IN JOB CREATION 2001—2002

The increase in job creation in Idaho between 2001 and 2002 is one indicator that the state's economy is improving. In 2002, 1,581 more jobs were created than were lost, which was a reversal from 2001 when 354 more jobs were lost than created.

Job creation and job loss are new employment indicators made available through the Local Employment Dynamics (LED) program, a partnership among the U.S. Census Bureau, Idaho Commerce & Labor, and 19 other state partners. The indicators will be produced quarterly, using Idaho's Quarterly Census of Employment and Wages (QCEW, formerly ES202) reports.

To understand the new measures of economic health, establishing some new concepts was necessary:

- Beginning of Quarter Employment (B): Total number of *workers* who were employed by the same employer in both the current and *previous* quarter.
- End of Quarter Employment (E): Total number of workers who were employed by the same employer in both the current and *subsequent* quarter.
- Job Creation (JC): The number of new jobs that are created by either new area businesses of the expansion of employment by existing firms.

To calculate job creation for a quarter, the total number of jobs is summed across firms where the end-of-quarter firm employment is greater than the beginning-of-quarter firm employment in the current quarter.

Conversely, job loss is the total number of jobs summed across firms where the end-of-quarter firm employment is less than the beginning-of-quarter firm employment in the current quarter.

Job creation and job loss for four quarters is summed to obtain total gains or losses for the year. The percent of those gains/losses of beginning employment for the year, per county, is calculated. In Ada County in 2001, for example, 121,832 jobs were created and 119,122 jobs were lost. The county's employment was 343,365 as of January 1, which resulted in eight-tenths of a percent jobs creation rate for Ada County in 2001.

Ada County is by far the largest Idaho county in terms of population and employment, and grew from a job gain of eight-tenths of a percent in 2001 to a 1.4 percent job gain in 2002. Other counties with more than 50,000 beginning employment in 2001 are: Bannock, Bonneville, Canyon, Kootenai, and Twin Falls Counties. Of these, only Canyon County had a job loss in 2001. All five counties had job gains in 2002, and every county either stayed the same or improved over time.

Of the 38 less populated counties in Idaho, 19 had job losses in 2001 and 19 had job gains. Over time, 30 counties gained jobs and eight showed declines. The maps in FYI Figure 3 show the percent of job loss or gain per county over time.

Overall, 35 counties gained ground between 2001 and 2002 because job losses deceased, or job losses advanced to job gains, or job gains increased. These counties are Ada, Adams, Bear Lake, Bingham, Blaine, Boise, Bonner, Bonneville, Boundary, Butte, Camas, Canyon, Caribou, Cassia, Clearwater, Custer, Franklin, Gem, Idaho, Jefferson, Jerome, Kootenai, Latah, Lemhi, Lincoln, Minidoka, Nez Perce, Oneida, Owyhee, Payette, Power, Shoshone, Twin Falls, Valley, and Washington Counties. Eight counties lost ground from 2001 to 2002 because more job losses occurred, or job gains dropped to job losses, or job gains decreased. These were Benewah, Clark, Elmore, Fremont, Gooding, Lewis, Madison, and Teton Counties.

The percent of job loss or job gain in each county from 2001 to 2002 is shown on the maps in FYI Figure 3.

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FYI Figure 3: Percent of Job Losses and Job Gains Per County 2001 and 2002